

U.S. BUSINESS AND THE MOSCOW PEACE FORUM

RECENTLY I WAS IN MOSCOW FOR THE THREE-DAY "PEACE FORUM" AS A MEMBER OF THE BUSINESS ROUNDTABLE, ONE OF SEVEN GROUPS INVITED TO PARTICIPATE.

MUCH OF THE DISCUSSION IN THE BUSINESS ROUNDTABLE FOCUSED ON JOINT ENTERPRISES WHICH ARE NOW AUTHORIZED BETWEEN WESTERN COMPANIES AND SOVIET ORGANIZATIONS BY A DECREE OF THE PRESIDUM OF JANUARY 13, 1987. THIS IS ONE OF A NUMBER OF MEASURES FOR RADICAL IMPROVEMENT IN SOVIET ECONOMIC PERFORMANCE.

THERE HAVE BEEN A WIDE RANGE OF REACTIONS EXPRESSED ABOUT THE PEACE FORUM AND ^{Secretary General of} GORBACHEV'S PROGRAM. AT ONE END IS CRITICISM OF U.S. BUSINESSMEN FOR ALLOWING THEMSELVES TO BE USED BY GORBACHEV TO HELP GAIN INTERNAL SUPPORT FOR HIS INITIATIVES. AT THE OTHER EXTREME IS THE BELIEF, WHICH I SHARE, THAT OVER TIME, SUBSTANTIAL MUTUAL ECONOMIC BENEFITS COULD BE DERIVED FROM U.S.-USSR JOINT ENTERPRISES. IN ^{THESE JOINT EFFORTS} ADDITION, IF FORMED ON A MASSIVE SCALE, COULD PROVIDE A MAJOR MEANS OF DEVELOPING A STRONG FORCE WITHIN THE SOVIET UNION FOR MAINTAINING PEACEFUL RELATIONSHIPS WITH THE U.S.

SOVIET GOVERNMENT OFFICIALS CONTEMPLATE THAT JOINT ENTERPRISES COULD EMBRACE A BROAD RANGE OF ECONOMIC ACTIVITIES, INCLUDING RESEARCH AND DEVELOPMENT, PRODUCTION AND SERVICES.

EVERY NATION MUST INCREASE ITS EFFICIENCY IN CREATING AND APPLYING TECHNOLOGY IN ORDER TO MAXIMIZE ECONOMIC DEVELOPMENT AND JOB CREATION. SINCE THE SINGLE MOST IMPORTANT WAY TO ACCOMPLISH THIS IS THROUGH COOPERATION, THERE ARE GREAT POTENTIAL BENEFITS FROM JOINT ENTERPRISES IN RESEARCH AND DEVELOPMENT. HOWEVER, IN THE PAST, WHENEVER COOPERATION INVOLVING R&D WITH THE SOVIET UNION WAS PROPOSED, MANY PEOPLE IMMEDIATELY ENVISIONED IT AS A THREAT TO U.S. NATIONAL SECURITY BECAUSE OF THE MISINFORMATION PUT OUT BY HARDLINERS IN OUR SOCIETY FAVORING STRINGENT CONTROLS OVER EXPORT SALES INVOLVING VIRTUALLY EVERY TYPE OF HIGH TECHNOLOGY. A RECENT STUDY, CONDUCTED UNDER THE AEGIS OF THE NATIONAL ACADEMY OF SCIENCE, FOUND THAT THE SEVERE CURBS BY THE U.S. ON EXPORTS HAVE BEEN COSTLY AND INEFFECTIVE AND RECOMMENDED A FIRST STEP IN REDUCING U.S. CONTROLS BY BRINGING THEM INTO CONFORMANCE WITH THOSE OF NATO ALLIES.

IN VIEW OF THE CONFUSION IN THE U.S. AND SKEPTICISM IN THE SOVIET UNION THAT THE U.S. WILL EVER ADOPT REASONABLE EXPORT CONTROLS, WE SHOULD COMMENCE WITH COOPERATION IN FIELDS SUCH AS EDUCATION, ENERGY, MEDICINE AND AGRICULTURE WHICH HAVE MINIMUM MILITARY IMPLICATIONS. THE POTENTIAL FOR MUTUAL BENEFIT IS GREAT. FOR EXAMPLE, EVERY NATION NEEDS A BETTER SYSTEM OF EDUCATION IN ORDER TO BETTER COPE WITH THE EXPANDING REQUIREMENT FOR TRAINING AND RETRAINING OCCASIONED BY THE EVER-INCREASING RATE OF GROWTH OF NEW KNOWLEDGE.

WITH RESPECT TO AGRICULTURE, PLANT BIOLOGY RESEARCH COULD, OVER TIME, CREATE TECHNOLOGY WHICH IS A LOT LESS RESOURCE CONSUMING, LESS CAPITAL INTENSIVE, MORE NEARLY SCALE NEUTRAL AND ENVIRONMENTALLY PROTECTIVE. SUCH TECHNOLOGY WOULD BE AN IMPORTANT PART OF THE SOLUTIONS TO MANY PROBLEMS IN AGRICULTURE PLAGUING ALL NATIONS. HOWEVER, ACHIEVING THEM IN A REASONABLE TIME FRAME WILL REQUIRE A VERY LARGE SCALE EFFORT WHICH IS ONLY FEASIBLE THROUGH INTERNATIONAL COOPERATION.

MOST PRODUCTIVE WOULD BE A PROGRAM ESTABLISHING A MULTITUDE OF JOINT VENTURES BETWEEN THE SOVIET UNION AND OTHER COUNTRIES INVOLVING SMALL BUSINESS. THE SOVIET UNION HAS MORE SCIENTISTS THAN ANY OTHER COUNTRY. THE UNITED STATES

HAS THE LARGEST NUMBER OF SMALL COMPANIES. IT IS WELL KNOWN THAT SMALL COMPANIES ARE MUCH MORE CREATIVE THAN LARGE COMPANIES. BY COUPLING SMALL COMPANIES WITH SOVIET SCIENCE, THOUSANDS OF JOINT VENTURES COULD BE ESTABLISHED IN BOTH THE SOVIET UNION AND THE UNITED STATES.

ESTABLISHING COOPERATIVE PROGRAMS AS I HAVE PROPOSED WILL NOT BE EASY. AMERICAN BUSINESSMEN SHOULD ENTER INTO JOINT ENTERPRISES WITH THEIR EYES WIDE OPEN AND AWARE OF THE PROBLEMS OF DEALING WITH A COMPLEX BUREAUCRACY WHICH EVEN THE SOVIETS RECOGNIZE AS HAVING FORMIDABLE OBSTACLES. AS ONE SOVIET OFFICIAL TOLD ME, IT IS IMPORTANT TO KNOW OUR DRAWBACKS SO YOU WILL HAVE NO ILLUSIONS.

YET, I KNOW FROM EXPERIENCE THAT JOINT ENTERPRISES WITH COMMUNIST COUNTRIES CAN BE SUCCESSFUL BECAUSE I WAS RESPONSIBLE FOR ESTABLISHING ONE IN ROMANIA ABOUT 12 YEARS AGO TO DEVELOP AND MANUFACTURE COMPUTER PERIPHERAL EQUIPMENT.

IN SPITE OF THE DIFFICULTIES OF LAUNCHING JOINT ENTERPRISES WITH RUSSIA AND THE DISTASTE AND SUSPICION HARBORED BY SEGMENTS OF AMERICAN SOCIETY, THERE IS THE REALITY OF A FIERCELY COMPETITIVE WORLD ECONOMY IN WHICH THE U.S. IS LOSING SHARE OF MARKET IN MANY IMPORTANT SECTORS. TO STAND

IDLY BY WHILE OTHER COUNTRIES, PARTICULARLY JAPAN AND WEST GERMANY, BOTH STRONGLY REPRESENTED AT THE BUSINESS ROUNDTABLE, GAIN THE BENEFITS FROM SOVIET TECHNOLOGY AND ACCESS THE WORLD'S SECOND LARGEST ECONOMY THROUGH JOINT ENTERPRISES, IS A RISK WE CAN ILL AFFORD.

IN ADDITION TO ECONOMIC GAINS, U.S.-USSR JOINT ENTERPRISES CAN PROVIDE ANOTHER MAJOR BENEFIT. ~~THIS IS SO~~ BECAUSE A JOINT ENTERPRISE IS THE MOST INTRICATE TYPE OF BUSINESS RELATIONSHIP WHICH BUILDS LONGSTANDING BRIDGES OF COMMUNICATION AND PROMOTES TRUST AND CONFIDENCE, ~~CONSEQUENTLY,~~ THERE ISN'T A BETTER VEHICLE THAN JOINT ENTERPRISES ON A MASSIVE SCALE FOR BUILDING A STABLE AND PEACEFUL RELATIONSHIP BETWEEN THE U.S. AND USSR. IF, INDEED, MIKHAIL GORBACHEV CONSIDERED IT NECESSARY TO INVITE U.S. BUSINESSMEN TO ATTEND A THREE-DAY MEETING IN MOSCOW TO HELP BUILD INTERNAL SUPPORT FOR HIS PROGRAM, I FEEL THAT MY TIME WAS WELL SPENT.